GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5443
ANSWERED ON:22.12.2000
AGREEMENT FOR PAYMENT OF ELECTRICITY BILLS
SHIVAJI VITHALRAO KAMBLE

Will the Minister of FINANCE be pleased to state:

(a) whether any tripartite agreement has been reached with the American power generating company Enron on the one side and the Government of Maharashtra and the Union Government on the other side for payment of electricity bills;

(b) if so, the details thereof;

(c) whether any petition has been filed in the Supreme Court in respect of this agreement; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b): An agreement was entered into between Maharashtra State Electricity Board (MSEB) and Dabhol Power Company (DPC) for purchase of power from the Dabhol Power Project being promoted by DPC. Obligations of MSEB arising out of this agreement were guaranteed by the Government of Maharashtra (GOM). Government of India (GOI) has issued counter guarantee to the DPC in respect of the Capacity and Energy Payments and Termination Payments in the event of GOM failing to make payments to DPCA tripartite agreement was signed between GOI, Reserve Bank of India andGOM primarily for authorising GOI to recover all the payments made by it under the counter guarantee from GOM by debiting GOM`s account with RBI.

(c) & (d): Centre of Indian Trade Union (CITU) has filed Special Leave Petition (No.7734 of 1997) in Supreme Court of India in 1997 against the judgement of High Court of Bombay. CITU has raised mainly two question namely (1) validity of the project and (2) accountability of the State of Maharashtra in this matter. The matter is sub-judice.